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**FISCAL IMPACT STATEMENT**

**LS 6248**

**BILL NUMBER:** HB 1231

**NOTE PREPARED:** Nov 18, 2002

**BILL AMENDED:**

**SUBJECT:** Bureau of Gaming and Lottery.

**FIRST AUTHOR:** Rep. Duncan

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill establishes the Gaming and Lottery Bureau of the State Police Department to assist the Gaming Commission, the Lottery Commission, and the Department of State Revenue in investigation and enforcement.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** This bill proposes that the State Police Department reorganize their existing staff, according to and depending on certain responsibilities, into a Gaming and Lottery Bureau, within the Department. The list of responsibilities to be provided by the Bureau include:

- conducting certain background investigations for the Indiana Gaming and Lottery Commissions (see *background information* below);
- obtaining criminal history information pertaining to investigations for the Department of State Revenue and the Indiana Lottery Commission;
- serving as commission agents for the Indiana Gaming Commission via the Gaming Enforcement Division (see *background information* below), and;
- providing other assistance to the Department of State Revenue and Indiana Lottery Commission as approved by the State Police Superintendent.

There may be an increase in administrative costs to the Department in performing the reorganization into the Bureau. However all the responsibilities of the new Bureau are currently being provided by existing staff.

The bill requires the chief enforcement officer to be an experienced certified public accountant. This provision could possibly necessitate a higher rate of pay for the additional requirement.

The bill requires that all of the enforcement officers who serve in the Bureau receive specialized training related to criminal activity associated with the gaming industry. Additional costs may ensue for areas of specialized training not already offered to enforcement officers.

The bill also requires enforcement officers to be permanently assigned to, and primarily responsible for, carrying out the duties of the Bureau. In addition, the bill provides that officers may not be transferred into the Bureau without their consent. The Department could save minimal administrative time and cost in the reappointment of its officers, given this provision. Also, the Department could experience difficulty in filling non-voluntary riverboat positions in the Riverboat Investigative Unit described below in the background section.

The specific effects of this portion of the bill are currently indeterminable and would depend upon various factors, such as the number of state troopers who do not wish to voluntarily serve on Indiana's riverboats and the Department's success at attracting state troopers to serve on Indiana's riverboats.

*Background Information:* The Gaming Enforcement Division currently falls under the purview of the Bureau of Criminal Investigation within the State Police. Of the estimated 550 personnel assigned to the Bureau of Criminal Investigation, approximately 115 are assigned to the Gaming Enforcement Division. (The Gaming Enforcement Division primarily consists of noncivilian personnel who hold the rank of "Trooper".) The Gaming Enforcement Division is comprised of two units: (1) the Background Investigative Unit (BIU); and (2) the Riverboat Investigative Unit (RIU).

#### *Background Investigative Unit*

The BIU is responsible for conducting background investigations of the owners, key management personnel, and employees of the riverboat license holders and applicants, as well as riverboat supplier license holders and applicants. In addition, the BIU assists the RIU in long-term detailed gaming investigations. The BIU consists of approximately 10 to 15 personnel of whom most are enforcement officers.

#### *Riverboat Investigative Unit*

The RIU is responsible for serving as the enforcement arm of the Indiana Gaming Commission on Indiana's ten riverboats. RIU personnel investigate violations of state law and Indiana Gaming Commission rules. The State Police assigns nine enforcement personnel to each riverboat, totaling approximately 90 enforcement personnel in all. The RIU is comprised of a North and South Division.

The State Police currently utilizes a one-year rotation system to fill vacancies within the RIU. (The BIU is permanently staffed.) It fills approximately 85% through a competitive hiring process and approximately 15% through a lottery system. The State Police report that when personnel are transferred to RIU from the Bureau of Field Operations (highway patrol), new recruits are used to fill those vacancies.

#### *Bureau of Field Operations*

The Bureau of Field Operations is comprised of three divisions: (1) the North Field Operations; (2) the Central Field Operations; and (3) the South Field Operations. Enforcement personnel of these three divisions total approximately 1,000.

There are approximately 2,000 authorized enforcement and civilian positions for the State Police in total.

**Explanation of State Revenues:** The Indiana Gaming Commission and State Lottery Commission both currently provide reimbursement to the State Police for services they provide as listed above.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State Police.

**Local Agencies Affected:**

**Information Sources:** Steve Hillman, State Police, (317) 232-8204; State Personnel Table (October 2002).

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